

MINUTES

ENERGY FACILITY SITE EVALUATION COUNCIL

October 13, 2003 - Regular Meeting
4224 6th Avenue S.E. Building 1
Lacey, Washington 1:30 p.m.

ITEM 1: CALL TO ORDER

CHAIR LUCE: The regular meeting of the Energy Facility Site Evaluation Council for Monday, October 13, 2003 will come to order. Please call the roll, Mike.

ITEM 2: ROLL CALL

EFSEC Council Members

Community, Trade & Economic Development

Richard Fryhling

Department of Ecology

Charles Carelli

Department of Fish & Wildlife

Chris Smith Towne

Department of Natural Resources

Tony Ifie

Utilities and Transportation Commission

Tim Sweeney

Kittitas County

(via phone) Patti Johnson

Chair

Jim Luce

MR. MILLS: The Chair is present and there is a quorum.

OTHERS IN ATTENDANCE

EFSEC STAFF AND COUNSEL

Allen Fiksdal

Mike Mills

Mariah Laamb

Irina Makarow

Ann Essko – AAG

Shaun Linse - Court Reporter

EFSEC GUESTS

Karen McGaffey-Perkins Coie

Laurie Vigue, WDFW

Alan Harger, DOT

Kaye Emmons, Chehalis Power

Andy McNeil, Duke Energy

Laura Schinell, Energy Northwest

Bill LaBorde-NW Energy Coalition

Mike Lufkin, CFE

Darryl Peebles – Kittitas Valley Wind Project

NO. 3: ADOPTION OF THE PROPOSED AGENDA

CHAIR LUCE: Well, let me ask first, have Members had a chance to review the agenda? I was going to ask if there were any proposed changes or additions to the agenda before we move onto the minutes.

MR. CARELLI: Since Patti is on the line –

MS. JOHNSON: Yes.

MR. CARELLI: -- might we move Item No. 8 up to No. 5, so she won't have to hang around.

CHAIR LUCE: That makes a lot of sense. Thank you very much.

ITEM NO. 4: APPROVAL OF MINUTES

CHAIR LUCE: Now we will go to the approval of the minutes of September 8, 2003. Members had a chance to review the minutes?

MR. CARELLI: Yes.

CHAIR LUCE: Are there any corrections or additions? All in favor of approving minutes say aye, signify by saying aye.

COUNCIL MEMBERS: Aye.

CHAIR LUCE: The minutes are approved as reported.

ITEM NO. 5: KITTITAS VALLEY WIND POWER PROJECT

<i>Extension of One-Year Review Period</i>	<i>Irina Makarow, EFSEC staff</i>
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CHAIR LUCE: The proposed agenda has already been reviewed and approved, and we will now move to No. 8 Kittitas Valley Wind Power Project. Irina, you have the extension of the one-year review period as an action item that's noted here. Do you want to report on that, Irina? And I note the presence of Darrel Peeples, Counsel for the Applicant, as well.

MS. MAKAROW: No, staff will be recommending that we delay that action item until the next Council meeting.

CHAIR LUCE: All right.

MS. MAKAROW: So we will only be doing a progress report, and we also have Counsel for the Applicant present to give the Council the Applicant's progress report regarding their solution of land use consistency issues with the County. And why don't I let Darrel Peeples do that right now.

MR. PEEPLES: You should have in front of you just a real quick letter from myself and attached to that letter is an e-mail from Jim Hurson, the Deputy Prosecutor for Kittitas County. Essentially in a nutshell we're on hold waiting for the EFSEC Draft EIS to go out. Nothing is the fault of EFSEC with regard to that. Council requested as a – the County requested, and it was a reasonable request, that from their point of view that our EIS which they're relying on include a site alternative analysis within the county. We are in the process of doing that. My client has produced everything to Huckle Wineman, who is the environmental consultant for Kittitas County on the project that's in front of them. The Desert Wind project and Huckle Wineman have been very diligent and has done everything they can, and now they're waiting for enXco, the Applicant for the County project, to get information to them, and I think everything kind of

depends on going forward with the County process, getting that Draft EIS out of here. We're going ahead, and we're meeting with the County anyway. One of the things the County is going to want to do is develop a permit type of thing which is going to probably, at least in my mind, be similar to the stipulations that we usually enter into with the County. We are going forward with that and have ongoing discussions at that point, so that's where we are.

CHAIR LUCE: Thank you. Council Members have any questions? No questions. Thank you very much, Darrell.

<i>Progress Report</i>	<i>Irina Makarow, EFSEC staff</i>
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MS. MAKAROW: The only item I have to report on the progress report was that we are working towards issuing the Draft EIS as soon as possible, and at this point I don't really see that happening until mid November. Of course, if we can get any efficiencies in getting it out earlier, we certainly will. And once the Draft EIS is issued I think staff will be able to start working on another prehearing conference, so that more issues can be refined amongst the parties to the adjudication.

CHAIR LUCE: Thank you.

MS. MAKAROW: That is all I have to report.

CHAIR LUCE: Thank you very much.

MR. PEEPLES: Would you like to take the Wild Horse now, since that's also in the same county?

CHAIR LUCE: I think it makes sense.

ITEM NO. 6: WILD HORSE WIND POWER PROJECT

<i>Progress Report</i>	<i>Irina Makarow, EFSEC staff</i>
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MS. MAKAROW: With regards to the progress report, we are expecting the Applicant to submit the draft application at the beginning of November, and with regards to the potential site study report, the Council's had the opportunity to review the draft of that report and the comments have been submitted to Jones and Stokes. I expect a final report coming out of them probably within the next ten days, and then we will be able to circulate that and put it on our website. That is all that I have to report.

CHAIR LUCE: Thank you. I think that's it for Kittitas County unless you would like to stick around and hear the rest of our deliberations.

MS. JOHNSON: No, that's fine. I will talk to you guys next month.

CHAIR LUCE: Thanks very much.

MS. JOHNSON: Thank you.

(Council meeting adjourned to hold public comment hearing on Satsop Combustion Turbine NPDES Permit Modification.)

ITEM NO. 7: SATSOP COMBUSTION TURBINE PROJECT

1. NPDES PERMIT MODIFICATION

<i>Public Comment Hearing</i>	<i>Jim Luce, EFSEC Chair</i>
CHAIR LUCE: The next time on the agenda appears to be the Satsop Combustion Turbine Project NPDES Permit Modifications; is that correct?	
MR. MILLS: Yes.	
CHAIR LUCE: And this is a public hearing.	
MR. MILLS: Yes, we'll start there.	
CHAIR LUCE: We will convene the public hearing at this point in time. The public hearing is convened to receive comments on the proposed modification to the National Pollutant Discharge Elimination System Permit for the Duke Energy Grays Harbor Energy Northwest Satsop Combustion Turbine Project.	
My name is Jim Luce. I am the Council Chair, and I will preside over this hearing. The purpose of this hearing is for the Council to receive public testimony, oral and written, on proposed modifications to the National Pollutant Discharge Elimination System (NPDES) Permit for Duke Energy Grays Harbor, Energy Northwest Satsop Combustion Turbine Project.	
The NPDES Permit authorizes wastewater discharges, including stormwater for the Satsop CT project. The modifications proposed by the permit holder primarily address the stormwater provisions of the existing permit, also reflect where certain permit requirements have been met and time frames extended. On September 13, 2003, EFSEC Manager Allen Fiksdal made a tentative determination to modify the NPDES permit for the Satsop CT project and public notice was issued to inform interested persons that a draft permit and facts sheet were available for review. That notice was mailed to over 300 persons from the project mailing list and the Council's minutes and agenda list. In addition, the notice was published in the Aberdeen Daily World, the Montesano Vidette, and the Olympian. This hearing is being held pursuant to the provisions of Revised Code of Washington 80.50, Chapters 463 and 173 Washington Administrative Code, and the state and federal water quality regulations.	
The procedure for this hearing will be as follows: The permit holder, Duke Energy Grays Harbor, Energy Northwest will review their amendment request. Staff will then summarize any written comments received. Then members of the public will present testimony. Testimony is limited to issues involving the proposed modifications to the permit. Anyone who plans to testify should sign the sheet located in the back of the room.	
Now, we will hear oral statements. I see that Laura Schinnell is representing the permit holder. Please come forward, Laura.	
MS. SCHINNELL: Thank you. I wanted to start the presentation today by describing a little bit about the C-1pond renovation which is the basis for the amendment request. I will be passing around photographs of the C-1pond area. The first photograph in the series is the pond as it existed last fall. After that you will see some construction progress pictures, the clearing and grubbing, the area of the tow where we removed the trees that seemed to be causing the leaking problem, the clearing limits which we actually modified, again some progress pictures, and then the pond itself. We have a picture of the spillway. We have a picture where the discharge from the ten-year storm event would discharge to, and a picture showing the pond itself, so I will pass out those two sets.	

Essentially what Duke Energy Grays Harbor and Energy Northwest is asking the Council to do is to modify our NPDES permit to meet the requirements of the Department of Ecology's general stormwater permits and to comply with surface water standards because stormwater discharge is generally considered to be a surface water. So working our way through the proposed changes to the permit, we have summarized the permit submittal requirements to reflect what has been completed, as well as changes that the Council has already approved.

And then we move into the area of the stormwater, describe the two different periods that matches Ecology's two general stormwater permits. There's one for construction activity and one for industrial activity. We are in the construction or construction deferral stage, so essentially we're asking that we be asked to comply with Ecology's construction general stormwater permit. I did bring a copy of both of Ecology's permits today with me should anyone like to look at those. For purposes of the construction period, the point of compliance is the Chehalis River which is potentially where stormwater would discharge from the C-1 facility.

Backing up a little bit on the construction design of the pond, normally for a construction period Ecology would require you to size your pond for the two-year storm event. We voluntarily sized the pond for the ten-year storm event and then put in the additional storage capacity that would have the pond overflow through the 100-year storm event in a controlled fashion. So basically we feel that we're more than meeting Ecology's best management practices for construction of a pond of this type to treat stormwater. Should anything happen in the pond while we're in construction and construction deferral stage, we would share responsibility for any concerns with the Grays Harbor Public Development Authority who is the owner of the facility. If we, Duke or Energy Northwest, have done anything to cause a problem with the pond, it would be our responsibility to correct any deficiencies. So if, for example, once we resume construction, we put sediment in the pond, it would be our responsibility to remove the sediment from the pond and keep it as its designed basis for the PDA.

The entire renovation project was a shared project with the Grays Harbor Public Development Authority. They shared the costs of the renovation with Duke Energy. For the operations period we're proposing we meet the requirements of the Department of Ecology's Industrial Permit. The industrial permit deals with complying with again surface water standards. And what we proposed in terms of the effluent limitations is that we match the requirements of the Ecology general permit for stormwater, so we have in our original permit there was a mixture of surface water and ground water standards because stormwater is considered to be surface water. We basically proposed that the ground water standards be removed from the permit, and again that we would be asked to comply with Ecology's stormwater standards and surface water standards which we believe are appropriate. Some of those changes would be total dissolved solids. That's actually a ground water standard, and in our area typically our total dissolved solids are around 70 to 100 milligrams per liter. Ecology in other areas has not been concerned with monitoring for that.

Turbidity, it used to be a mixture of the surface water standard. It had been misquoted, so we are actually changing the turbidity standard to be more restrictive instead of less restrictive. Copper in the Ecology permitting scheme you would monitor for copper only if your zinc exceeded its bench mark level, and then you would add copper and lead to the monitoring program. Iron, again, there is no surface water standard for iron, and the standard that was here was more related to ground water. It would be a concern if there was a drinking water source within the area. There is no drinking water source under the Department of Health regulations for calculating zones of influence that C-1 would have. Petroleum we've actually put that into the

same language that Ecology uses which is petroleum, oil, and grease. The level that had originally been set it would take a substantial amount of oil to meet that level, so, again, we believe that this will be more restrictive rather than less restrictive. And basically we have modified the pH levels to match again what Ecology's typical permits are not only for stormwater but for all of their discharges to surface water and to ground water. So we have changed those limits to match again what Ecology has. And we've actually taken language from -- propose to take language from the Ecology industrial general permit and put it into the NPDES permit. That had been our request there.

Then into the monitoring schedule, again, we've taken the language from the Ecology permit and essentially put that language into the proposed permit that you have before you today. And since the issuance of the permit Ecology actually has a guide for how you do sampling, and so we added reference to that right into the permit and noted that what the permit had was a summary of those requirements. On the monitoring schedule, again, we basically took the Ecology general industrial stormwater permit requirements and proposed to put those into this permit. It basically has the same monitoring schedule that the Department of Ecology does, so that was that basic change.

And then the reporting requirements it wasn't clear in the original permit when stormwater samples needed to be reported, so, again, we took the language from Ecology's general permit and added it to this NPDES permit request. That is basically a summary of the changes that we have proposed. Again, it's to comply, asking to have us comply with the industrial general stormwater permit and the construction permit. Again, if anybody would like to look at those copies, I did bring them with me today.

CHAIR LUCE: Thank you very much. Any Council Members have questions for Ms. Schinnell? Staff anything? Thank you, Ms. Schinnell. Mike, has staff received any written comments with respect to this permit modification?

MR. MILLS. Yes. We've received four written comments. One from the Department of Fish and Wildlife, and Council Members were handed out copies with a blue cover; one from the Department of Fish and Wildlife, and I will come back to that. One from citizen Sherry Rudrud. Her question was if Duke Energy is no longer required to verify Pond C-1 is functioning properly (as the permit revisions say), who will be responsible for it? This was an e-mail comment. I responded in writing on Friday.

As you heard the Grays Harbor Public Development Authority as the owner (that includes the C-1 pond area), is ultimately responsible for ensuring that the C-1 is maintained and operates properly. And I had a footnote that I would note that improvements to the pond to increase its size, install a new liner, and provide an engineered overflow capability. Are all viewed as very positive measures to making sure that the pond does function properly. I continued, however, during construction of the Satsop CT -Phase I Project, that responsibility will be shared by Duke Energy and PDA because as stated in the revised permit. Compliance during construction of the project shall be determined for the C-1 pond discharges to the Chehalis River. That requirement holds PDA and Duke jointly responsible for meeting water quality standards for any discharges from the pond.

During operations, the requirement shifts the compliance point to Outfall 002B, the point where stormwater from the CT project discharges into the pond. It is staff's opinion that the proposed changes to the permit reflect current stormwater regulations and guidance. We also received a letter from the Grays Harbor County Public Services Department. They indicated thanks for the opportunity to comment. Grays Harbor review of the Draft document has resulted in a

determination that its design conformance with the Washington State Department of Ecology's Stormwater Management Manual for Western Washington provides an appropriate level of assurance that potential adverse impacts to the natural environment will be mitigated. We also received a letter from the Department of Ecology dated September 18. It indicates thanks for the opportunity to comment on the determination of non-significance for the combustion turbine project. We believe this letter should have been sent to Grays Harbor County because it was actually Grays Harbor County that made the SEPA determination on the C-1 renovation for it. The comments that Ecology did make in this letter basically encourages the Council to ensure that best management practices were implemented during the construction of the C-1 pond, and we believe that is the case. And as you have heard the pond is now completed, and we believe it was constructed in a manner where best management practices were implemented and followed. Coming back to the Department of Fish and Wildlife letter, I received this, this morning. I've had an opportunity to review it with Council Member Carelli and Ecology staff, and I will just try to summarize the concerns identified below. In 2002, Fish and Wildlife submitted two letters (the dates are included) to EFSEC in strong support of the NPDES permit for the Satsop CT Project which was approved by EFSEC in December of 2002. It appears now that Duke Energy is proposing to weaken the requirements set forth in the NPDES permit for monitoring the discharge from the C-1 pond.

The Department has concerns regarding direct discharge in the river from the pond. When we approved the initial reconstruction of the C-1 pond this past summer, it was understood that the existing permit regulations would apply. We did not anticipate that the NPDES permit would be revised. This stormwater pond was originally constructed to hold and filter out pollutants and was not allowed to discharge directly into the river. I would just comment it's been our intention all along that if the pond was revised, was improved that Duke would bring forward an amendment or modification to their existing permit to reflect that in fact the pond had been in this case I will use the word improved to meet many of the concerns that I think we shared with Council Members over the last probably year. And I don't think I will go into those in detail, but I'm hoping your memories recall that this has been an ongoing discussion. And it was again staff's understanding that in fact the permit would be revised and the permit would reflect at the point in time that the pond was improved; that Duke, Energy Northwest would approach the Council with the permit modification that would reflect the fact the pond now meets water quality standards, best management practices, and that the permit would address that. The letter from Fish and Wildlife continues.

The Stormwater- Outfall 002B section within the permit has been rewritten to allow sediments and toxins discharges that could impact aquatic and terrestrial organisms. Within Table 3, total dissolved solids, iron and benzene were eliminated and petroleum was added. Please explain that revision. I believe Ms. Schinnell in her comments went through the reasoning Duke Energy, Energy Northwest used in proposing the changes. Again, staff feels that the changes that have been made reflect the current Ecology water quality standards and also reflect the general permit requirements. Why was iron eliminated when it was identified as exceeding the NPDES permit limit in 2002, as described in your letter of January 29, 2003 to Duke? Again, I think the reasoning for that was that this was a ground water standard. I would have a note on this. Duke has been conducting sampling, and I believe they have one sample left to collect. We would require that they finish that sampling and provide the Council with a report. Please explain why copper and lead would only be monitored if zinc levels were exceeded as referenced in Table 4. Again, we believe that zinc is the trigger of metal. As specified in the industrial permit

requirements, if the zinc levels are exceeded, then that would trigger sampling of the copper and lead and zinc. In order to further understand why these modifications are necessary, I contacted both Ecology and EFSEC staff. Neither agency could explain why these changes were made. I did talk to Lauri Vigue prior to her submitting this letter. I tried to explain that it had been staff's intention and I believe the Council's intention that we wanted this permit to reflect the industrial construction permit requirements of the Department of Ecology, and that was our primary goal in addition to recognizing the C-1 pond, renovation from the C-1 pond. The letter continues, I understand EFSEC takes the lead in writing state permits, but it has always been my understanding that Ecology provides the technical expertise to the EFSEC staff. That's true, and generally in the past if someone from the Department of Ecology has been able to provide permit writing services, we could have contracted with the Department and they have provided that service to us. That service was not available from Ecology in this case, and I believe we have shared with the Council that EFSEC staff would take the lead in working this permit modification. Again, we did have a conversation with an Ecology person today. They were provided direct copies of the plan. We did not receive written comments from them, but, again, it's my understanding that they would concur that the permit reflects the permit standard, general permit standards that are currently in existence. I appreciate the opportunity to comment on this plan. That concludes the summary of the public comments that we received. I note that there are no members of the general public here. We might ask if anyone in the audience wishes to make a comment.

CHAIR LUCE: Does anyone from the audience wish to make a comment? Are there any comments by Council Members with respect to any of the public comments, written comments that have been received? All right. Thank you for your comment. This concludes the public comment hearing on the proposed modifications to the Satsop CT project NPDES permit. The Council is scheduled to consider authorizing proposed revisions to the permit immediately following the hearing. All written and oral comments received will be considered by the Council in reaching its decision. The hearing is adjourned.

(Public meeting for Satsop CT Project NPDES Permit is adjourned and the regular Council meeting is reconvened.)

2. NPDES PERMIT MODIFICATION

<i>Consideration of Permit Modification</i>	<i>Irina Makarow, EFSEC staff</i>
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CHAIR LUCE: The Council is now back in session to consider the modifications to the Satsop CT NPDES Permit. Council Members, have you had the chance to consider the modifications to the proposed NPDES permit? Councilman Carelli.

MR. CARELLI: I have a question for Mike. There's no groundwater monitoring anticipated with regard to the stormwater general permit; is that correct?

MR. MILLS: Yes.

MR. CARELLI: There is none. I'm sorry. Will there be any ground water monitoring?

MR. MILLS: No, there won't be.

MR. CARELLI: Thank you.

CHAIR LUCE: Other comments, questions by Council Members?

MS. TOWNE: I have a couple questions on the Summary of Permit Reports Submittals, Mike.

MR. MILLS: Yes.

MS. TOWNE: First, the SPCC S6.B it says update due August. Did that get moved to later in terms of construction schedule or has it been received or does it need to be modified?

MR. MILLS: That will need to be modified to reflect if the permit's modifications are adopted today. Ms. Schinnell.

MS. SCHINNELL: Yes.

MR. MILLS: Refresh my memory. Have we talked about a date when that plan would be resubmitted?

MS. SCHINNELL: You asked us to delay until after the permit amendment was approved, so we anticipate sometime at the end of October, beginning November to submit the revised plan.

MR. MILLS: Thank you.

MS. TOWNE: Then if you go down to S8 and S11.A one says within -- this is Stormwater Pollution Prevention Plan -- within 60 days of the effective date of the NPDES permit I would assume, and then you go down to S11 and its 180 days after issuance of the permit. Are you talking about the same trigger, 8 and 11?

MR. MILLS: We are not talking about the same trigger, no.

MS. TOWNE: Well, effective date of what then?

MS. SCHINNELL: If I could help Mike out. The first S8 originally there was only a requirement for a Stormwater Pollution Prevention Plan. In Ecology's scheme there is a construction Stormwater Pollution Prevention Plan and then there is commercial operation and industrial phase.

MS. TOWNE: Right.

MS. SCHINNELL: So what we proposed was and we've already submitted the 60 days after the effective date of the permit which was the December 2002, December 9, 2002, and the S11 reflects that date of December 2002.

MS. TOWNE: So that would have been submitted in June?

MS. SCHINNELL: We actually submitted -- what was required then was the study plan, and that was submitted in June, and we are undertaking the studies right now.

MS. TOWNE: Okay. Got it.

CHAIR LUCE: Other questions by Council Members?

MR. IFIE: I'm going through the comments right now. This is the first time I've seen these comments, so if you could give me a minute to go through the comments.

CHAIR LUCE: All right. One minute.

MR. IFIE: I have a question for Mike.

MR. MILLS: Yes.

MR. IFIE: Mike, I was just going over the comments from Fish and Wildlife. The third paragraph, the last sentence of the last paragraph where it says, please explain why copper and lead will only be monitored if zinc levels were exceeded as referenced in Table 4. I don't know if you explained, if you answered this question already. I wasn't sure what your response was.

MR. MILLS: The response was that that requirement and change to the permit was taken directly out of the Ecology general permit.

MR. CARELLI: If I might add that zinc has been identified as the bench mark indicator, and there's a very close relationship between zinc, copper, and lead. Rather than monitoring everything, what Ecology has done is selected zinc as the bench mark. If the zinc bench mark is exceeded, then that indicates there may be something else going on and additional monitoring for copper and lead would be required.

MS. TOWNE: I have a follow-up question on this if the zinc exceeded what you monitor for, and it's on Page 10. And it gives parameters and bench mark values. It has hardness as a parameter, and the bench mark value is not available and is not applicable. Then why sample it? If there's no benchmark value that would trigger some response, why bother? Page 10.

MR. MILLS: Chris, I don't know the answer to that. I'm looking at the industrial permit language. The bench mark value is NA in the permit and follows EPA analytical method.

MS. TOWNE: Just to require getting information that has no value. It's put to no use.

MR. CARELLI: I believe Laura has a copy of the permit. I believe hardness is a factor when there is discharge to marine water.

MS. SCHINNELL: That's correct.

MS. TOWNE: But we're not –

MS. SCHINNELL: Even for the Chehalis River which isn't marine water the effects of various metal parameters do have it on hardness. So when you look at the surface water standards, they ask you to monitor for hardness, and then you get your calculations for metals based on what the hardness was.

MS. TOWNE: So it isn't the hardness per se. It's how hardness contributes to the metals.

MS. SCHINNELL: Yes.

MS. TOWNE: Thank you.

CHAIR LUCE: Counsel Member questions? Do we have a call for the question? First of all, do we have a motion?

MR. CARELLI: I would move that we approve the Satsop Combustion Turbine Project NPDES Permit modifications.

CHAIR LUCE: Is there a second?

MR. IFIE: Second.

CHAIR LUCE: Discussion. Is there a call for the question?

MR. SWEENEY: Call for the question.

CHAIR LUCE: Question has been called for. In favor say aye.

COUNCIL MEMBERS: Aye.

CHAIR LUCE: The ayes have it. The permit is amended appropriately.

ITEM NO. 8: CHEHALIS GENERATION FACILITY

<i>Progress Report</i>	<i>Kaye Emmons, Chehalis Power</i>
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CHAIR LUCE: The next item on the agenda is the Chehalis Generation Facility. Duncan McCaig? Is Duncan here?

MR. MILLS: Kaye Emmons will be representing the company.

CHAIR LUCE: Welcome.

MS. EMMONS: Thank you.

CHAIR LUCE: There's a progress report. It looks like you're making pretty good progress down there.

MS. EMMONS: Yes. Well, as far as just starting out with safety and environmental issues, we had no reportable safety incidents for the month of September. No environmental incidents. We did significant environmental milestones I guess.

In September we completed our CEMs RATA or CEMS certification testing, and we anticipate issuing a report or receiving the final report on that this week. We also had contracted with a

consultant to conduct a compliance audit of the facility to make sure that we aren't missing something, and we just received a preliminary report from that today, so I haven't yet read it. That should give us a good guideline to make any improvements where we need to.

On October 6, we submitted our first discharge monitoring report, even though we are not really direct discharging. We do have a guidance letter from the EPA for our wastewater discharge to the City of Chehalis, and we completed our first round of testing and submitted that report to the EPA and I sent a copy to Mike as well.

As far as personnel on site now, we have 23 people with Tractebel Power, Incorporated, twenty that will be permanent staff and then the remaining from the project management phase. There are ten TIC Parsons employees still remaining on site and five subcontractors for a total of 38. Engineering and procurement is complete. The only construction activities remaining are that the general contractor is continuing to demobilize the removal of their equipment from site, and they are working on the final punch list items, the majority of which require shutdown of the facility to complete, and we have been dispatched to be online basically everyday since we took provisional acceptance of the facility. So we have to try to schedule that with our marketers when they will agree to let us come down and fix those items.

As far as start-up activities, as I mentioned we completed our CEMs certification testing in September, and we also completed the plant reliability test which was a 7-day run showing that the plant will operate reliably as far as without having trips, the amount of wastewater discharge that you have, etc.; that it complies with the contract. And that was passed.

With the ongoing noise concerns, we are continuing to work with Tractebel, Parsons and vendors to reduce near-field noise. All the equipment vendors were required to meet a specific noise requirement of 85 dB at three meters, and some of the equipment does not meet that, so we are continuing to work with them to resolve those issues. Operationally we continue to limit our start-ups and shut down at night pending the installation of further noise reduction equipment, so that we don't disturb the neighbors unnecessarily. During steady-state operations there's very little noise at all, but whenever we have upsets, or if we do have to shut down and start up, that's when we tend to have some problems. We do continue daily noise monitoring and submit a weekly report to EFSEC to Mike.

And as far as community interface, we had no complaint calls from the community in September and one call in October, early October when we had a start-up going on. And Duncan went and met with some of our neighbors, and we also had the Lewis County Commissioners on site to give them a project update and discuss what we were going to do with noise.

Just to go into a little more detail on that, there's about nine items that contribute to the off-site noise. One is the boiler feed pumps. And we've contacted the vendor, and they're engineering an enclosure for those pumps that will block noise transmission, and that has to be shipped on the 20th of this month and should be installed by November 3rd. The start-up vents on the boilers, Doosan is the manufacturer of those, has designed and is going to provide additional in-line silencers for all ten of the vent valves that we have, which already have silencers on them, but they're not meeting the noise requirements. So they're going to supplement those with additional silencers. The blow down vents we're fabricating silencers locally using a local shop. The steam bypass valves we actually had a call with the vendor today. They have some different internals that they can put in these valves, different types of trim that will reduce noise, so they say. So we're discussing that with them. And in lieu of that or until we can resolve that we're going to install some sound absorbing panels on the east side of the bypass valves just to see if it will block some of the noise that leaves the site.

For our steam jet air ejector we have fabricated and installed a temporary silencer, just sort as an experiment, and it worked extremely well. We did a test of it, and you literally can't hear anything when it goes through the silencer now. So we were very encouraged and that's what we are continuing on with the other silencers for the other blow down valves, which is the same thing we will do for the steam turbine drain tank valves.

Finally, for near-field noise we're going to put a noise block wall on one side of the closed cooling water thin fan coolers. This is mainly to reduce noise into the control room. It may have some effect on the far-field noise as well. So we continue to make good progress, and we're very encouraged that all these noise issues will be resolved to the extent that we won't have to be concerned about start-ups and shutdowns as well.

Operationally the plant was dispatched on line during most of the month of September. We had a few short outages to make repairs or when we had a couple trips due to equipment troubles. Most of those are due to control tuning. We're continuing that tuning to help improve our start-up and upset response conditions. For pending activities, of course, the construction punch list needs to be completed. They expect to have everything complete by early October except for those items that require a shutdown. I believe there's only one item left that does require a shutdown so. And the majority of those will require a fairly lengthy shutdown of at least five days, so we can pull equipment off. And so that will be sometime in the future.

We plan to continue our noise abatement work with the general contractor, the equipment manufacturers, as well as noise consultants we had do surveys. And we're just moving into the operational phase. We're trying to set up and get our maintenance program, our preventative maintenance automated and getting up to speed on our safety environmental training and record keeping, which is one of the reasons we had the audits to help plan out new deficiencies in that area and continuing to modify our operations procedures as we gain more experience operating the plant.

CHAIR LUCE: Thank you.

MS. EMMONS: Thank you.

CHAIR LUCE: Council Members any questions? Mike, do we have a copy of that letter or report from Chehalis?

MR. MILLS: You mean noise?

CHAIR LUCE: With all the information relevant to noise.

MR. MILLS: Yes, we do.

CHAIR LUCE: I would like to get a copy of it. I don't know if other Council Members would feel the same way.

MR. MILLS: All right.

CHAIR LUCE: It's hard to take notes on each piece of machinery, but it would be helpful to have that. Maybe you could send one to Dave over on the hill at the same time. Thanks.

MR. MILLS: They have one other thing I think.

MS. EMMONS: Oh, I do have one other thing, and I even wrote it down. We are going to have our site dedication ceremony on November 7 at 1:30 p.m., and all the Council Members are invited. Houston will be sending out invitations formally to everyone, formal written invitations, but we very much would like to invite everyone to be there.

CHAIR LUCE: Great.

MR. FIKSDAL: I have one question. I get calls semi regularly from the different newsletters asking about the status of the project. Basically they ask is the Chehalis project in construction

or is it operational, and when did it go operational is the question. Is there a specific date that I can give these folks?

MS. EMMONS: I believe for all intensive purposes when we take provisional acceptance, which to be honest with you I don't know when exactly that date was, sometime in August, you are operational. I believe Houston has told us for counting ourselves as commercial was basically the first of this month, of October.

MR. FIKSDAL: Thank you.

CHAIR LUCE: Thanks.

MS. EMMONS: Okay.

MR. MILLS: Kaye, I will provide you with a list of names for the Council Members, and I'll fax that to you this afternoon.

MS. EMMONS: And if you need any repeat of that or any more on the noise stuff, I can e-mail it to you. That is no problem.

MR. MILLS: Okay. Thank you.

ITEM NO. 9: ENERGY NORTHWEST PROJECTS

1. COLUMBIA GENERATION FACILITY

<i>Status Report</i>	<i>Mike Mills, EFSEC staff</i>
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CHAIR LUCE: Mike, give a report on the Energy Northwest Projects.

MR. MILLS: Yes. Columbia Nuclear Power Plant continues to operate at 100 percent power, and it's been on line for 102 consecutive days. They've also provided information on the service water pond dewatering. Crews began pumping water out of the WNP-1 Spray Pond last Thursday with one pump at a rate of 200 gallons per minute. The monitoring duration, surface ponding, and erosion are minimized. The plan is to start dewatering the WNP-4 pond once we complete our efforts in maintaining the necessary irrigation equipment.

You recall the permit that Ecology issued is good for 60 days through December 5, and they calculate -- I think this was on the record -- that it would be approximately 45 days to empty both ponds, so that work is proceeding. That's all I have on Energy Northwest.

ITEM NO. 10: BP CHERRY POINT PROJECT

<i>Progress Report</i>	<i>Irina Makarow, EFSEC staff</i>
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CHAIR LUCE: Irina, do you have something on the Cherry Point?

MS. MAKAROW: A brief progress report. The comment period on the Draft EIS is going to be closing on November 3, and a little bit before that we should be expecting to get prefiled testimony from the other parties. Also we did not receive any petitions for late intervention on September 26, so, yes, we will probably be holding a prehearing conference once the prefiled from the parties has been received to refine issues further.

Also staff has been working on coordinating the actual location of the hearings. The hearings will be held the week of December 8. The exact number of days will be determined based on how many witnesses need to appear during that time, and we're looking at holding the hearings at Fox Hall which is the large meeting space adjoining the Hampton Inn in Bellingham. And, of

course, Mariah will be sending around additional information to the Council Members regarding travel and room reservations and whatever needs to be done.

CHAIR LUCE: Great. Thank you very much.

ITEM NO. 11: EFSEC RULES

<i>Rules Review Update</i>	<i>Jim Luce, EFSEC Chair</i>
CHAIR LUCE: EFSEC rules, is that next?	
MR. FIKSDAL: Next and your name is on it.	
CHAIR LUCE: A brief report. Apparently there was an Op-Ed in the Seattle Times today. For those of you who haven't had a chance to read, including myself, on CO2 and rules overall talking about the progress that's been made to date and steps that still need to be taken. We have meetings on October 29 in Spokane and October 30 in Seattle for public comments from 7:00 to 9:00; is that correct?	
MR. FIKSDAL: Yes.	
CHAIR LUCE: One at the Ridpath on the 29th and one on the 30th in Burien at the Washington State Patrol Training Facility?	
MR. FIKSDAL: Criminal Justice Center.	
CHAIR LUCE: All right. Close enough. Comments received in writing until December 1?	
MR. FIKSDAL: Correct.	
CHAIR LUCE: Subsequent to that a responsiveness summary –	
MR. FIKSDAL: Will be prepared.	
CHAIR LUCE: -- will be prepared. We're also sending out a letter today to stakeholders who are part of the Krogh Group inviting them -- first of all, bringing them current on what's happening. I think many of them probably are current, and secondly, inviting them to meet one on one if they want to. We're having a series of meetings with individuals or representatives of individual groups. I think this Friday we are meeting with Collins Sprague from Avista. We may be meeting with others as well. Basically sitting down one on one to get their comments. We can do that because this is not an adjudicative type hearing. This is rule making. We will take a summary of those comments and put them in the rule making record. Not an extensive summary. We're not going to have a court reporter there, but give people a chance to sit down and talk about these issues one on one as opposed to having to stand up in a public session which they can also do or send them in writing. It's not required, but it's an opportunity. The work on the small business economic impact statement and the benefit cost analysis goes forward, and I think that probably takes us out until the end of December anyway. Any questions about that?	
MR. FIKSDAL: Yes, I have one more comment. As you all realize the rules were put together, various rules put together by various people in committees and whatnot. We are endeavoring to go through all the rules and try to make them read so they all read similarly, you know, like one person may have written them rather than 40 people. That's in progress. When we get done, we suspect that will be done by the end of the month, so we will post that. I don't know if you as Council Members want to review those before we post them on the website or post them up as we go. In case people are looking on the website they may change a little bit. You know, some words instead of using energy facility, we may use energy plants or look through the whole drafts of rules to make sure that the language is consistent.	

CHAIR LUCE: You're going to put the redline version on?

MR. FIKSDAL: Yeah. Well, we'll put a -- what we're going to try to do is make it like we would be sending it to the code reviser, so it shows additions and deletions from the original rule.

CHAIR LUCE: Is this what some people have already worked on?

MR. FIKSDAL: Right. Chris Towne and Chuck Carelli have looked through the rules and have attempted and Pete Dewell have attempted to do some of that, and we have our secretarial staff going through those right now and trying to make sure that things look similar.

CHAIR LUCE: Okay. But there's no substantive changes.

MR. FIKSDAL: There's no substantive changes. Namely it would be editorial, so I don't know how you want to -- does the Council want to look at those before we change what's on the website or not?

CHAIR LUCE: I don't know about the Council. I don't feel a need to pass it around if it's literally just word changes I mean.

MR. FIKSDAL: Well, I guess anybody in the audience if you in the near future if you see a little bit of change to the rules, that's what we're doing editorial corrections hopefully not substantive corrections. So we're trying to clean them up basically.

MR. CARELLI: I think that common terminology, shall versus should, and will versus might.

ITEM NO. 12: OTHER

CHAIR LUCE: Under the other I could mention WNP-1 and 4, but I won't.

MR. FIKSDAL: I've got two things.

CHAIR LUCE: But I may send out an e-mail here in the not too distant future on WNP-1 and 4, so don't be surprised if you get one.

MR. FIKSDAL: We have three things under other. The first is the next meeting scheduled for November, the second Monday of November, and I don't recall which date that is.

MS. TOWNE: The 8th.

MR. FIKSDAL: The 8th. The Council Chair and I believe you will not be in town.

MS. TOWNE: Oh, you're talking November not December.

MR. FIKSDAL: Yes, the next regular Council meeting.

MS. ESSKO: The second Monday in November is the 10th.

MR. FIKSDAL: Okay. Two of the Council members, the Chair and Chris Towne will be gone. There is a potential that we may cancel that meeting because the absence of those two members.

Unless there's something critical that comes up, I suspect we will be canceling that or I might schedule that. The second item is the December meeting is on the 8th and we will be in Bellingham on that day, and we will have to decide whether to hold a regular Council meeting on that date in Bellingham or cancel it and hold a special meeting sometime if we need to. So you might be thinking about how you want to deal with the December 8 regular Council meeting. So those two Council meeting, November and December, have some thinking to go along trying to figure out what we're going to do.

And the last item is I think we should recognize that the person, Mike Lufkin, who's been Counsel for the Environment for the past two years is leaving very shortly. I believe Friday is his last day. I think I'm sure I want to recognize, and I'm sure the Council does too, all his contributions to the Council. I think he's done a magnificent job and we hate to see him go.

MR. LUFKIN: Thank you. It's been a pleasure.

CHAIR LUCE: You can come back.

MR. LUFKIN: Maybe in a couple years. We'll see.

MS. TOWNE: Do we know who is replacing him?

MR. FIKSDAL: No, we haven't been informed, and I don't know, Mike, if you want to –

MR. LUFKIN: We are still working on that. You will be the first to know.

MR. FRYHLING: Can I just ask a question.

CHAIR LUCE: Please do.

MR. FRYHLING: Ann, do we need to formally do anything in regard to Tony and myself at this point?

CHAIR LUCE: What would you like us to do?

MR. FRYHLING: I don't know. We signed a piece of paper saying we're good guys and so forth.

CHAIR LUCE: I have resolution here whereas Dick Fryhling

MR. FRYHLING: Do we need to -- is that just sent to all people or how is it handled at this point?

MS. ESSKO: The decisions on the motion to disqualify the Kittitas Wind Power Project case will be sent to all the parties. My understanding is Irina is planning to do that tomorrow if they've all been signed.

MR. FRYHLING: We don't have to do anything as a Council?

MS. ESSKO: No, they're effective. Your response to the motion to disqualify you and Tony are effective upon your signature, and the Council's decision on the motions to disqualify CTED and DNR is effected on signature by all the Council Members.

MR. FRYHLING: Okay. Thank you.

ITEM NO. 13: ADJOURN

CHAIR LUCE: Adjourned.

(Whereupon, the meeting was adjourned at 2:29 p.m.)